



www.community-renewables.org

House Committee on Energy and Environment
Oregon State Capitol
900 Court Street NE
Salem, Oregon 97301

March 22, 2021

Re. HB 2021-1

Dear Chair Marsh, Vice Chair Brock-Smith, Vice Chair Helm, and members of the committee,

I'm Mike McArthur, Executive Director of The Community Renewable Energy Association (CREA), which is an intergovernmental organization with members from the renewables development community along with local governments. The goal of CREA is to promote the development of small scale, locally owned renewable energy projects. In addition we hope to help communities achieve resiliency with their energy supply through distributed generation and micro-grids.

While we applaud the legislatures undertaking of another major change in energy policy and a recognition of the urgency in de-carbonizing our electric supply, we find that HB 2021-1 falls quite short of being the best approach to dealing with the problems posed by this process.

We recognize that in moving to low carbon energy the investor owned utilities will need to make major changes and investments. But as regulated monopolies they must also accommodate the public policy goals as set forth by the legislature.

CREA adopted a set of principles to use in evaluating renewable energy legislation. In applying those principles to HB 2021-1 we find the following deficiencies:

- 1) The measure does not adequately accelerate renewable energy targets. We believe the existing RPS milestones could be increased. Annual targets between now and 2030 would signal opportunity to the development community and increase competition for renewable resources. The weak, goal oriented language regarding targets provides little surety. The recent ECONorthwest study clearly shows the economic and environmental benefits to the RPS approach.
- 2) Inadequate support for project development in Oregon. The overall long term economy of the state is benefited by in state development.
- 3) Lack of actual support for community based, small scale renewable projects. At a recent FERC meeting:

Federal regulators on Thursday reversed a September decision to upend 40 years of legal precedent and deny a solar-plus-storage facility from receiving payments under the Public Utility Regulatory Policies Act (PURPA).

Commissioner Allison Clements also weighed in on the ruling in her comments, noting it was the first time she's been able to do so as commissioner.

"PURPA exists to encourage the construction of small renewable energy and cogeneration facilities, and to create competitive pressure for monopoly utilities, to the benefit of customers," she said. "To further these policy goals, it is important that our policy clearly defines what facilities are eligible for compensation under PURPA." She added the previous order "unsettled decades of precedent and established difficult-to-administer tests that threaten to create uncertainty for future qualifying facilities or potential qualifying facilities."

The current policies of the state do not adequately support PURPA. This bill does not address that issue.

- 4) The bill does not address the correction of the language in ORS 469A.210 to state that the requirement that 8% of electricity sold come from the "generation" rather than "capacity" of small scale <20MW projects. There is concern that these projects are more expensive but under PURPA the price is set at the "avoided cost" of what it would cost to acquire other resources. Moving to a generation standard of measurement would increase the number of small scale projects supplying electricity but that is the point of PURPA.
- 5) We don't think a study is necessary, quite a lot is already known about small scale projects.
- 6) It appears this bill creates new rule making processes that might delay clarity and more significantly, delay action in bringing more renewable energy assets on board.

While an emissions based regulatory system is more direct it will take time to put in place. Meanwhile we could accelerate the RPS standards.

7) CREA is concerned that any labor standards adopted do not further diminish the availability of labor particularly in rural areas. And that small projects and community solar be given special consideration. We support increased training and apprenticeships especially those associated with rural community colleges.

8) There does not appear to be support for rooftop solar or storage projects for homes or businesses. Nor is there support for long term storage like pumped storage necessary to accommodate intermittent resources.

9) We have further concerns about inappropriate expansion of the cost cap, lack of consequences for hitting cost cap, lack of penalties for utility non-compliance.

Finally, It seems to me the ultimate goal here is to de-carbonize the electric supply as quickly and efficiently as possible while maximizing the economic benefits for the state as we make these changes.

We find HB 2021-1 to be a step in that direction but could be much improved by recognizing the advantages of the approach proposed in the -3 amendment to this bill as posted in OLIS. We hope to be able to work with you and other stakeholders to improve this measure.